

R. S. PALMER, MAI

Real Estate Appraiser

173 SOUTH MAIN STREET • P.O. Box 173
MIDDLETOWN, CT 06457-0173
TEL. (860) 346-8645 • FAX (860) 347-0079

**RESTRICTED REAL ESTATE APPRAISAL
OF
TWO INDUSTRIAL PROPERTIES**

PROPERTY ADDRESS:

130 Broad Street & Rear of Broad Street
Middletown, Connecticut 06457

PROPERTY OWNER(s):

C. William Bacon and John T. Bacon
&
Bacon Brothers, Incorporated

PREPARED FOR:

Mayor Maria Madsen Holzberg
Office of the Mayor
City of Middletown
245 DeKoven Drive
Middletown, CT 06457

PREPARED BY:

Roger Palmer, MAI
173 South Main Street
P.O. Box 173
Middletown, Connecticut 06457

DATE OF VALUATION:

July 31, 1997

#2012

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August 6, 1997

Mayor Maria Madsen Holzberg
Office of the Mayor
City of Middletown
245 DeKoven Drive
Middletown, CT 06457

RE: Appraisal of two (2) industrial properties located at
130 Broad Street & Rear of Broad Street in
Middletown, CT 06457

Dear Mayor Holzberg:

As requested, a restricted appraisal of two (2) properties located on Broad Street in Middletown, Connecticut, has been completed. Both parcels are located within the Central Business (B-1) zone. The "*First Parcel*" is located at 130 Broad Street in Middletown, Connecticut, and it is owned by C. William Bacon and John T. Bacon. The "*Second Parcel*" is located at the rear of Broad Street, and it is owned by Bacon Brothers, Incorporated.

It should be noted that this restricted appraisal report cannot be properly understood without the additional information that is located in the appraiser's files. The client should be aware of this limitation and place appropriate reliance in the use of this report. This restricted appraisal is subject to the Assumptions and Limiting Conditions addressed at the end of this report. This appraisal report has been prepared in conformance with Uniform Standards of Professional Appraisal Practice (USPAP). The undersigned are fully aware of the nature and scope of the appraisal assignment and have sufficient experience in appraising similar properties to comply with the Competency Provision of USPAP.

The purpose of this report is to estimate the "as is" market value of the subject properties as of July 31, 1997. The date of inspection of the appraised parcels is July 31, 1997. The use of this report is to provide the client with estimates of market value for their internal use. This report is only intended for use by the client. The appraiser is not responsible for unauthorized use of this report.

In estimating the market value of the subject property, the scope and process of collecting, confirming and reporting data is as follows: inspection of the subject property, which included, but is not limited to, the site and the improvements; review of municipal records and information supplied by the property owner to establish the property interests and constraints affecting the subject property; conduct a reasonably complete and thorough market survey for market data that is considered comparable to the subject property; the market area surveyed is limited to Middletown and the surrounding communities; and, the market data used on this report is confirmed and verified with one or more of the following sources: the property owner, grantor/grantee, broker, attorney for the parties involved, deeds of conveyance, town land records, assessors records, public officials and other public information. The appraisal development and reporting process did not invoke the Departure Provision of USPAP.

The definition of market value being used in this report is defined in The Dictionary of Real Estate Appraisal [Appraisal Institute, The Dictionary of Real Estate Appraisal, Third Edition, (Chicago: Appraisal Institute, 1993, p. 222)]. The property interest being appraised is the *Fee Simple Estate*.

The "*First Parcel*" is located at 130 Broad Street in Middletown, Connecticut, and it is owned by C. William Bacon and John T. Bacon. This property is described in volume 361, page 373 of the Middletown Land Records, and it is further identified as Map 22, Block 17-51, Lot 4 in the Middletown Assessor's Records. This property is a rectangular parcel that contains 0.18±AC (50' x 160'), with 50±FT of frontage along Broad Street. The land is improved with a 3,528±SF garage and storage building, plus site improvements. The highest and best use for the "*First Parcel*" is the continuation of the present use as a 3,528±SF garage and storage building.

The "*Second Parcel*" is located at the rear of Broad Street in Middletown, Connecticut, and it is owned by Bacon Brothers, Incorporated. This property is described as the first price in volume 214, page 87 of the Middletown Land Records, and it is further identified as Map 22, Block 17-51, Lot 27 in the Middletown Assessor's Records. This property is a rectangular parcel that contains 0.31±AC (64' x 210'). The land does not frontage along Broad Street. Access to the property is via 20±FT wide ROW from Broad Street over land owned by Webster Bank. The land is improved with a 2,604±SF brick garage & storage building and a 3,577±SF masonry storage structure, plus site improvements. The highest and best use for the "*Second Parcel*" is the continuation of the present use as two (2) storage buildings that contain a total of 6,181±SF.

Based on the inspection of the subject property on July 25, 1997, pertinent facts about this and comparable market data, research, and analysis in the appraisers' files, the market values of the fee simple interest of the subject properties, as of July 31, 1997, is estimated to be:

FIRST PARCEL – 130 BROAD STREET
ONE HUNDRED FIFTEEN THOUSAND DOLLARS
\$115,000

SECOND PARCEL – REAR OF BROAD STREET
NINETY THOUSAND DOLLARS
\$90,000

Respectfully submitted,



Roger Palmer, MAI
Appraiser
CT Certification No. 484

PHOTOGRAPHS OF SUBJECT PROPERTY



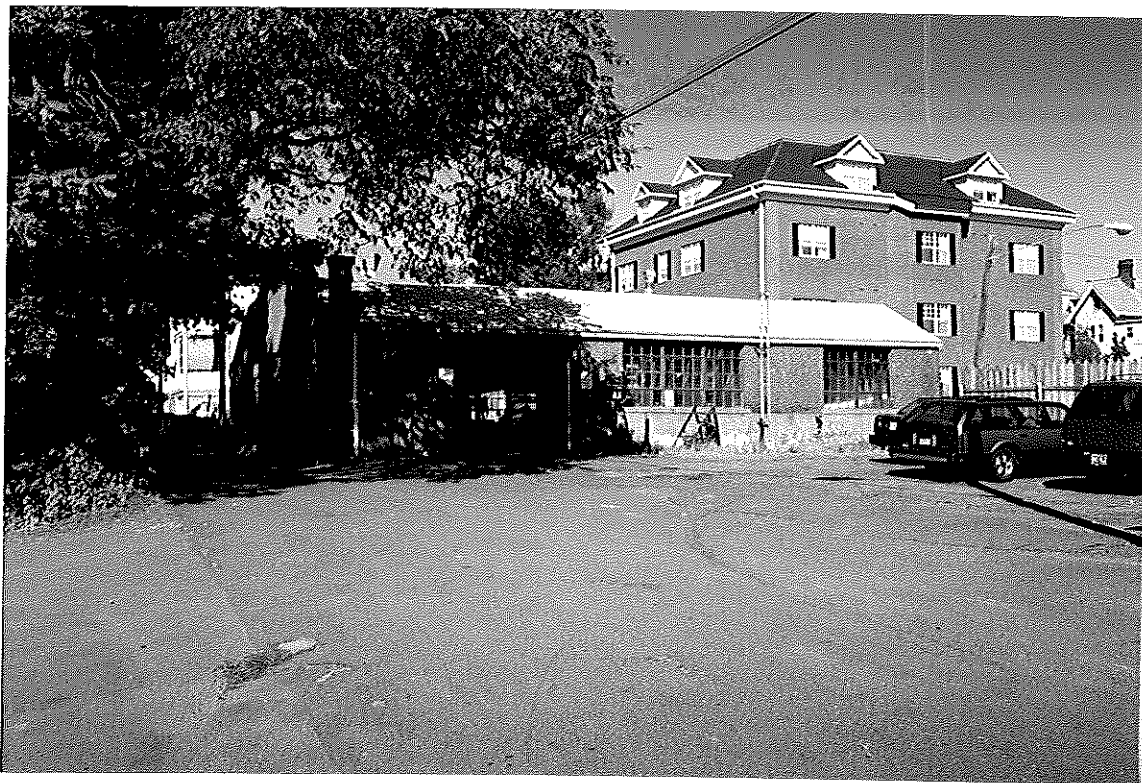
S-1 -- Front view of the building located at 130 Broad Street taken from across Broad Street, facing an easterly direction.

PHOTOGRAPHS OF SUBJECT PROPERTY (cont.)



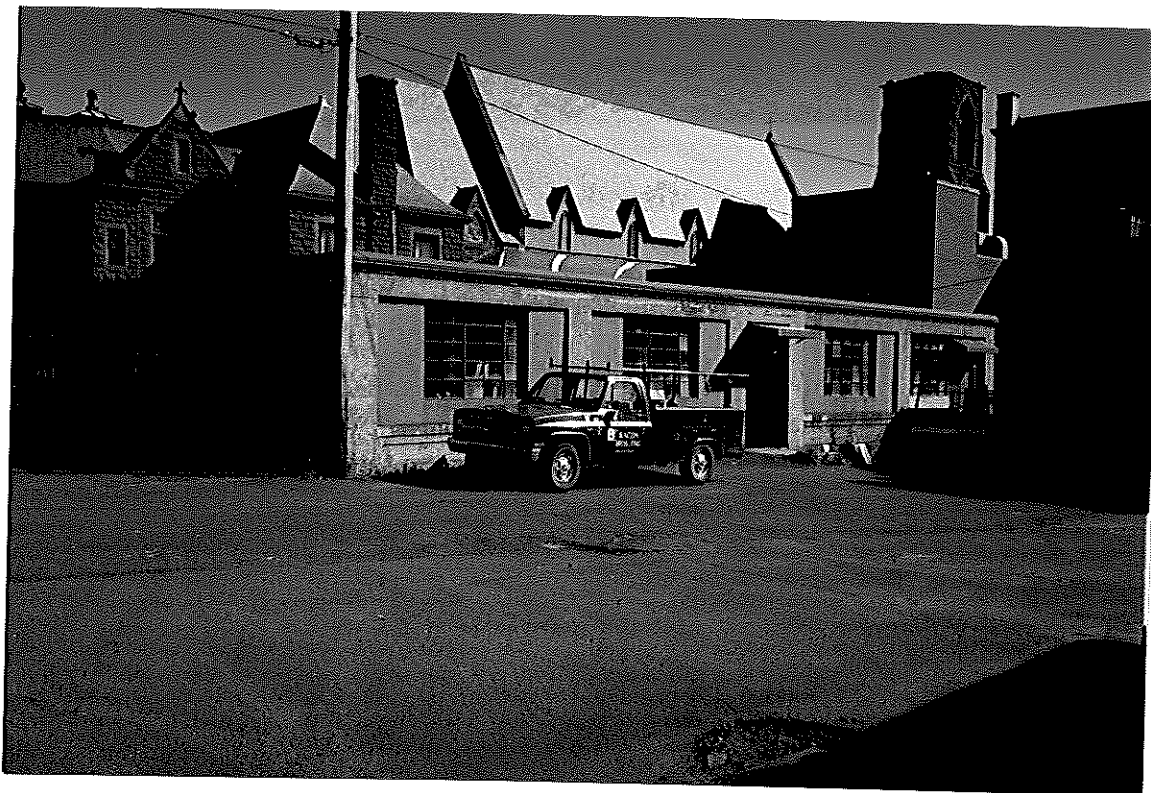
S-2 -- Rear view of the building located at 130 Broad Street.

PHOTOGRAPHS OF SUBJECT PROPERTY (cont.)



S-3 -- View of the brick garage and storage building located at the rear of Broad Street.

PHOTOGRAPHS OF SUBJECT PROPERTY (cont.)



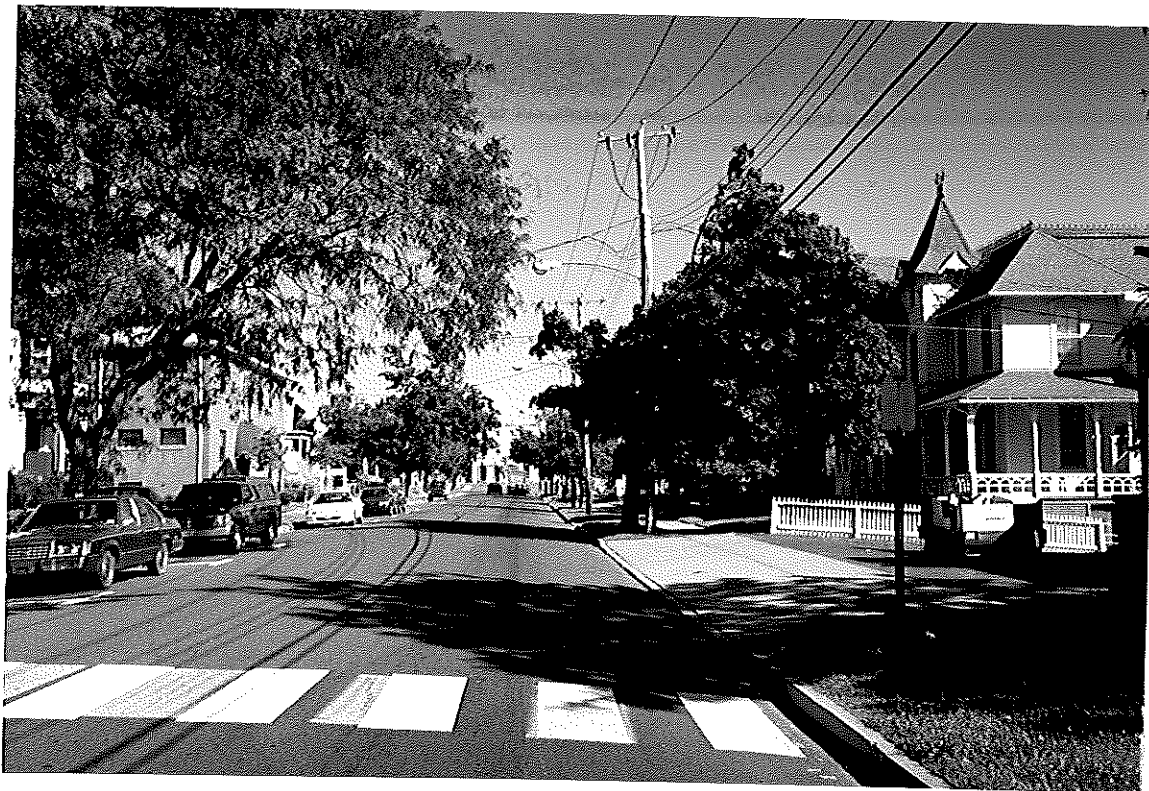
S-4 -- View of masonry storage building located at the rear of Broad Street.

PHOTOGRAPHS OF SUBJECT PROPERTY (cont.)



S-5 -- View of the ROW from Broad Street to the "*Second Parcel*" owned by Bacon Brothers, Incorporated.

PHOTOGRAPHS OF SUBJECT PROPERTY (cont.)



S-6 -- Street scene along Broad Street near the appraised properties, facing in a northerly direction.

ASSUMPTIONS AND LIMITING CONDITIONS

1. The legal description furnished is assumed to be correct and no responsibility is assumed for legal matters in character nor is any opinion rendered as to title which is assumed to be marketable.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. No warranty, however, is given for its accuracy. Should there be any material inaccuracy in the assumptions in this report, the results of this report are subject to review and revision.
5. All engineering and engineering assumptions are assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

ASSUMPTIONS AND LIMITING CONDITIONS (cont.)

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any other person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
13. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.
15. The Americans with Disabilities Act ("ADA") became effective on January 26, 1992, I (we) have not made specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
16. It will be an assumption basic to this report, that the subject property meets and conforms to all Federal, State, and Municipal health and environmental regulations. If the property does not conform to these regulations, the values as estimated in this report should be modified.
17. Effective September 28, 1992, the State of Connecticut enacted new lead poisoning prevention and control regulations (C.S.R. 19a-111-1 through 19a-111-11). The appraisers are not qualified to determine if there is lead paint on or within the building improvements. No lead paint survey was procured in the preparation of this appraisal report. It is recommended that a qualified firm conduct a thorough and adequate interior and exterior survey of the building improvements to determine if there is lead paint on or within the structure. It will be an assumption basic to this report, that the subject property meets and conforms to all Federal, State, and Municipal regulations regarding lead paint. If the property does not conform to these regulations, the values as estimated in this report should be modified.

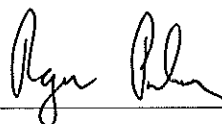
CERTIFICATION OF THE APPRAISER(S)

I certify that, to the best of my knowledge and belief...

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on any action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- The preparation of the report and analyses, opinions and conclusions were developed in conformity with the Uniform Standards of Professional Appraisal Practice.
- The appraisal assignment and final value estimate(s) are not based on a requested minimum valuation, a specific valuation, or a range of valuation for the approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, Roger Palmer, have completed the requirements under the continuing education program of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person(s) signing this report.
- I, Roger Palmer, am currently licensed by the State of Connecticut to appraise and value real Estate of within the State of Connecticut (License No. 484). I have passed the uniform examination necessary for Certification.

August 6, 1997

DATE



ROGER PALMER, MAI

QUALIFICATIONS OF APPRAISER**Roger Palmer, MAI****EMPLOYMENT:**

Independent Fee Real Estate of Appraiser
Real Estate of Appraiser and Consultant, Middletown, CT
October 1988 to Date

Associate, Patrick McMahon Associates, Inc.
Real Estate of Appraisers and Consultants, Worcester, MA
February 1987 to September 1988

Associate, Robert S. Palmer, MAI
Real Estate of Appraiser and Consultant, Middletown, CT
June 1985 to January 1987

EDUCATION:

Columbia University, New York, NY
School of International and Public Affairs
Masters of International Affairs, May 1985

Clark University, Worcester, MA
Bachelor of Arts, May 1983
Major: Economics

Appraisal Institute, Chicago, IL
Attended various courses and seminars given throughout the country related to real Estate of valuation and required for the MAI designation.

LICENSE:

State of Connecticut (License No. 484)
Certified - Spring 1991 to date

MEMBERSHIP:

Member of the Appraisal Institute (MAI)
No. 8908 - July 3, 1991 to date

**APPRAISAL
EXPERIENCE:**

Appraisal of properties for financial institutions, governmental agencies, and, individual clients

TYPES OF PROPERTIES**APPRAISED:**

Retail, office, industrial, residential condominium developments, residential subdivisions agricultural, nursing homes, unimproved land, and, eminent domain

**PAST AREAS OF
ASSIGNMENT:**

Connecticut, Massachusetts, Rhode Island